

EXHIBIT C

FOMB POLICY: REVIEW OF DEBT

Authority

This FOMB Policy (the “Policy”) is established pursuant to Section 207 of PROMESA to require prior FOMB approval of the territorial government, which includes the Commonwealth and any of its covered instrumentalities, issuing debt or guaranteeing, exchanging, modifying, repurchasing, redeeming, or entering into similar transactions with respect to its debt (each, a “Debt Transaction”).

Applicability

This Policy applies to any Debt Transaction.

Requirements

No Debt Transaction shall be valid and enforceable if not approved in writing in advance by the FOMB. To determine whether a Debt Transaction should be approved under Section 207 of PROMESA, the FOMB will consider the amount, terms and conditions, anticipated use of funds, purpose of the transaction, impact on applicable fiscal plans and budgets, any alternative transactions, and any other relevant factors. Each Debt Transaction must be advisable for the entity entering into it and for Puerto Rico.

Process

Before execution, the following documentation and descriptions for each Debt Transaction must be sent to the FOMB at debt@promesa.gov:

- i. The term sheet or similar documents evidencing the proposed Debt Transaction
- ii. A letter from the head of the entity seeking to enter into the Debt Transaction explaining the purpose of the transaction, the anticipated use of funds, the efforts used to procure the best possible terms, any alternative transactions, and why the transaction is in the best interest of the entity
- iii. A letter from AAFAF explaining the proposed transaction’s impact on the entity’s compliance with applicable fiscal plans and budgets, why the transaction is in the best interest of Puerto Rico and stating whether AAFAF endorses the transaction
- iv. A letter from the Governor endorsing the transaction and the rationale for endorsing it

Within seven business days of receipt of a proposed Debt Transaction and the required supporting documentation, the FOMB will respond:

- i. “Approved” because the review is complete and FOMB has concluded that the Debt Transaction is advisable.
- ii. “Requires Further Review” because the FOMB has identified areas where additional clarity and/or information and/or time is required to determine whether the Debt Transaction is advisable.
- iii. “Approved Subject to Conditions” because the FOMB has identified areas where additional clarity and/or information is required to determine whether the Debt Transaction is advisable but, in the interest of time, the FOMB authorizes the borrowing entity to proceed with documentation and execution subject to prior certification that conditions required by the FOMB for approval of the Debt Transaction have been satisfied.
- iv. “Not Approved” because the review is complete and FOMB has concluded that the Debt Transaction is not advisable.

If the FOMB responds “Requires Further Review,” the FOMB will provide a revised response within three business days of receipt of the requested clarity and/or information and/or time. If the FOMB responds “Approved Subject to Conditions,” the FOMB will include in its response a statement of the required conditions.

For the avoidance of doubt, the FOMB’s Code of Conduct applies to this Policy.